



MINUTES

PLACER COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD OF DIRECTORS Monday, April 10, 2017

The Board of Directors for the Placer County Flood Control and Water Conservation District met in session beginning at 4:00 P.M., Monday, April 10, 2017, in the Rocklin City Council Chambers, 3970 Rocklin Road, Rocklin, California. Brian Keating, District Manager, Brad Brewer, Development Coordinator, Ken Grehm, Executive Director and Elise Nelson, District Counsel, represented the District.

1. **ROLL CALL:**

By roll call, Directors present: Weygandt, Yorde, Alvord, Morillas, Broadway, and Karleskint
Directors Not Present: Duran, Berlant

2. **AGENDA APPROVAL:**

Motion made to approve the agenda for April 10, 2017.

MOTION: Morillas/Yorde

APPROVED: Unanimous

3. **APPROVAL OF FEBRUARY 6, 2017 MINUTES:**

Motion made to approve the minutes of the February 6, 2017 meeting.

MOTION: Morillas/Yorde

APPROVED: Unanimous.

4. **PUBLIC COMMENT:**

None

5. **ACTION ITEM:**

a. **Authorize the Executive Director to enter into an agreement with the Regional Water Authority to provide certified labor compliance type services relating to construction of the Antelope Creek Flood Control Project, Upper Weir**

Brian Keating, District Manager reminded the Board that project funding for the Antelope Creek Flood Control Project, Upper Weir, is heavily dependent on two existing State grants from the Department of Water Resources totaling 1.1 million dollars. One of these grant programs, the Proposition 84 funded Integrated Regional Water Management Program (IRWMP) requires compliance with the State Department of Industrial Relations (DIR) certified labor compliance program (LCP) and associated payments of prevailing wage rates.

Brian explained that a separate LCP was developed by the IRWMP regional grant manager, the Regional Water Authority (RWA) to provide grant recipients a compliance option if they do not have an existing DIR-approved LCP or do not want to expend the resources to apply to DIR for and to administer their own LCP. The District does not maintain an existing DIR-approved LCP and staff do not recommend we develop our own LCP since we infrequently require such a program and do not have remaining time in our project schedule to develop one prior to the start of construction in mid-May 2017.

Staff recommends the use of RWA's existing LCP and their contracted consultant, Diversified Contracts Management Group (DCM) as our best option to obtain these services in a timely manner and under a properly certified program. The negotiated costs for the use of DCM at \$29,694 appear fair and reasonable and have been included within our total project budget. There are funds for these services within the Dry Creek Trust Fund.

Brian recommended the Board, by motion, authorize the Executive Director to enter into an agreement with the Regional Water Authority (RWA) to provide certified labor compliance type services relating to construction of the Antelope Creek Flood Control Project, Upper Weir.

MOTION: Weygandt/Broadway
APPROVED: Unanimous

b. Authorize the Executive Director to execute Amendment No. 5 to the professional services agreement with HDR Engineering Inc., relating to the Antelope Creek Flood Control Project, Upper Weir

Brian reported that the January and February 2017 storms caused an erosion/washout condition to occur at the Antelope Creek Flood Control Project, Upper Weir site and he presented before and after the storm type photos. As a result of the changed site conditions, staff have prepared Amendment No. 5 which tasks HDR Engineering to perform certain out of scope work tasks. This work includes assessing the storm damage impact and then revising the final Bid Package, including previously prepared final versions of the construction plans, specifications and bid books to account for the changed conditions. The final revised Bid Package was advertised for bidding March 1, 2017. Additional out of scope efforts are also included wherein HDR staff will review and incorporate comments received on the Bid Package from a constructability review performed by our construction management services firm (Psomas).

Additional project management efforts beyond that already budgeted are also required as a result of the additional work described above and in responding to larger than anticipated efforts to coordinate with regulatory agencies and bring the project up to the start of bid advertisement. The total negotiated cost increase associated with Amendment No. 5 is \$19,464 and is considered fair and reasonable. This amendment would bring the total amount of HDR's full contract to \$942,029. There are adequate funds within the Dry Creek Trust Fund to fully fund these additional amendment related costs.

Brian recommended the Board, by motion, authorize the Executive Director to execute Amendment No. 5 to the professional services agreement with HDR Engineering Inc., relating to the Antelope Creek Flood Control Project, Upper Weir.

Director Yorde noted from the photos how high the debris on the chain link fence was indicating a possible high water mark. Brian stated that this storm was approximately a 10- to 20- year event and while the current site does over-top frequently, it will no longer do so up to a 100-year event once our project is complete.

Director Alvord asked if the lower culvert from the picture was completely washed away and Brian confirmed a significant portion was damaged. Director Alvord asked if the multi-use trail was closed to the public and Brian confirmed it is and will likely be re-opened after the project is complete sometime in November 2017.

MOTION: Karleskint /Weygandt
APPROVED: Unanimous

c. Authorize the Executive Director to execute a memorandum of understanding with all four member agencies within the Dry Creek watershed, regarding project shortfall funding assistance relating to the Antelope Creek Flood Control Project, Upper Weir

Ken Grehm, Executive Director reminded the Board of the project funding shortfall for the Antelope Creek Flood Control Project, Upper Weir project. Construction bidding is now complete and has affected the funding shortfall. Our lowest bid came in approximately 25% over the engineer's estimate. The total remaining cost of the project is \$3,371,613. Based on our most current project funding analysis, the project shortfall is estimated at approximately \$1,356,963. Ken explained that we hope to address the funding shortfall with a proposed Memorandum of Understanding (MOU) between the four benefiting member agencies within the Dry Creek watershed including the County of Placer, the Cities of Roseville and Rocklin and the Town of Loomis.

Ken explained that staff from each of the four member agencies and the District recently met to discuss available funding options and the development of a MOU to address the shortfall through loan payments advanced to the District and deposited within the Dry Creek Trust Fund (Fund). It was mutually agreed that a fair share formula consisting of the total amount of additional Project funding required (currently \$1,356,963) multiplied by each member agencies percentage of the total combined population within the four member agency jurisdictions, was the preferred fair share formula. Other formula's that were considered, but not preferred, included each member agencies amount of impervious surface created up to future watershed build-out conditions, as well as the percentage of each member agencies population lying only within the Dry Creek watershed. Reimbursements of loan payments will be made by the District as the Fund balance continues to grow. Based on current levels of new development and the associated fee revenue being generated into the Fund, it is estimated that full reimbursement of each member agency's loan payment should occur within five years of the first reimbursement payment being issued. Full reimbursement may be reached within an earlier timeframe if the final costs of construction come in lower than the total construction contract price initially awarded by the District.

Ken explained that if we don't finalize the MOU, the District will not be able to complete the project at this time. We would also lose significant State grant monies totaling a little over one million dollars.

Staff have worked closely with our member agencies to draft the MOU and route it through management and legal reviews. We anticipate fully executing the MOU prior to the start of construction in mid-May 2017.

Director Broadway inquired about which fair share funding options were considered. Ken stated there was discussion on multiple options and how best to determine everyone's equitable proportion. We ended up selecting the option based on the total population per jurisdiction. Director Broadway also asked why the bids came in higher than the engineers estimate. Ken stated that we received five bids, all exceeding the original engineer's estimate which tells us the estimate was probably too low.

Director Alvord asked if the funding shortfall included the 10% construction contingency. Ken confirmed it does and if the contingency is not used, it will help to reimburse loan payments quicker. Director Alvord confirmed from Ken that this item is only for the District Boards approval today and that the MOU would need to go back to the separate member agency boards for their approval.

Elise Nelson, District Counsel provided suggestion that the Board's motion authorize the Executive Director to enter into a memorandum of understanding with all four member agencies funding the shortfall for the Antelope Creek project in substantially the same form as presented today and subject to District Counsel's approval.

MOTION: Karleskint /Broadway

APPROVED: Unanimous

d. Authorize the Executive Director to execute a sole source type purchase of off-site wetland mitigation credits in the amount of \$55,000 required for the Antelope Creek Flood Control Project.

Brian informed the Board that the Biological Opinion (BO) as issued by the National Marine Fisheries Service (NMFS) and the Letter of Determination (LOP) from the United State Corps of Engineers (USACE) together determine the specific fisheries and wetland mitigation requirements associated with our Antelope Creek Flood Control Project. Your Board previously took action in February 2017 to proceed with the purchase of off-site salmonid mitigation credits. Following the recent issuance of the LOP, the District is required to also mitigate the loss of 0.22 acres of waters of the United States by purchasing 0.22 acres of freshwater marsh complex habitat credits and 0.22 acres of riparian habitat credits. The LOP specifically identified Wildlands' River Ranch Mitigation Bank from which to purchase these credits as an acceptable conservation bank within the USACE recognized service area for our project. These credits are required to be purchased at a 2:1 mitigation ratio.

Brian explained that staff have received a proposal from Wildlands, to purchase of 0.44 acres of required credits at the unit rate of \$125,000/acre, for a total of \$55,000. Since the USACE LOP specifically required evidence of this purchase from the River Ranch Mitigation Bank, staff is recommending your Board authorize a sole source type procurement from Wildlands in the amount of \$55,000.

Director Karleskint asked if this purchase was already discussed at the February 2017 Board meeting, and Brian replied that in February we addressed the salmonid mitigation credits while the credit purchase being requested for authorization today applies only to wetland type mitigation credits.

MOTION: Karleskint /Weygandt
APPROVED: Unanimous

e. Adoption of Resolution No.17-02, authorizing the Executive Director to award a construction contract to the lowest responsive responsible bidder for the Antelope Creek Flood Control Project, Upper Weir

Ken informed the Board that construction bids for the Antelope Creek Flood Control Project, Upper Weir, Contract No. 000916, were received, officially opened and recorded on March 30, 2017 with the assistance of Placer County Procurement Services staff. District and Procurement Services staff have reviewed each bid as to being responsive and responsible per the requirements of the final Bid Package issued by the District. The official engineer's estimate for the construction contract was \$2,180,834 (including a 10% contingency). There were a total of 5 bids received ranging in price from \$2,338,000 to a high of \$3,331,274. Ken explained that future construction contract award is contingent on the funding MOU execution discussed earlier.

Ken recommended the Board, by adoption of Resolution No. 17-02, authorize the Executive Director to award a construction contract to the lowest responsive responsible bidder for the Antelope Creek Flood Control Project, Upper Weir. The lowest responsive responsible bidder is Steven P Rados, Inc. with a total bid price of \$2,338,000.

Elise Nelson, District Counsel, suggested that the motion to adopt Resolution No. 17-02, authorizing the Executive Director to award construction contract to the lowest responsive, responsible bidder Steven P Rados Inc. with a total bid price of \$2,338,000, include the conditions of confirmation from the Executive Director that funding has been secured and subject to District Counsel approval.

Ayes: Weygandt, Alvord, Yorde, Morillas, Broadway, Karleskint
Noes: None
Absent: Berlant, Duran

f. Review of mid-year budget analysis for FY 2016/17 and review of draft FY 2017/18 District Budget with authorization to prepare final

Brian reported that staff has reviewed with our Technical Advisory Committee (TAC), a FY 2016/17 mid-year budget analysis to determine if any revisions may be necessary to our budget, and particularly to our member agency contributions. Staff has invoiced our annual member agency contributions for the first six months, or one half of the fiscal year. Actual expenses and revenue at mid-year are tracking better than projected with overall expenses exceeding revenue by approximately \$30,000. By projecting out to the year end in June 2017, and following receipt of additional revenue sources, it appears revenue will exceed expenses by an approximate \$5,000 amount.

Brian explained that the most significant decreasing expense is for our ALERT flood warning system of gages, where we no longer anticipate the need for expensive outside consulting services to assist us with environmental permitting and compliance under CEQA. There is also significant under-utilization of County professional staff services. While there are significant decreases in revenue from federal aid and from the stream channel maintenance program, there is a significant projected increase in revenue from development review (plan check) services.

Our TAC discussed options for the use of the minor amount of excess revenue projected at year end and agreed to allow it to continue to help grow our District reserves. Our current reserves balance is \$316,200, an amount above the minimum recommended reserves balance of approximately \$150,000. Staff have therefor prepared our mid-year invoicing for annual contributions with no changes and overall the District budget appears healthy at this time.

Draft Fiscal Year (FY) 2017/18 District Budget

The draft FY 2017/18 District budget was also presented for review and comment. The recommended District budget proposes total expenses of \$3,847,550 and revenues of the same amount, \$3,847,550. This represents a large increase in both revenue and expenses above the previous fiscal year 2016/17 budget, attributed to increasing capital improvement project spending for both the Antelope Creek Flood Control Project, Upper Weir and the FEMA Cooperating Technical Partnership (CTP) project. No increase to the \$1.19 per capita rate annual contribution from our member agencies is proposed this year. Overall we have a well balanced budget with no use of reserves recommended.

Salary and benefit costs will increase moderately due to slight (1%) COLA increases and the increasing costs of employee benefit packages. There is a significant increase in projected revenue from development review sources and from federal and state aid to help fund our CIP programs. There is a decrease in revenue reimbursement for management of the County's stream channel maintenance program since efforts to finalize our permitting agreement with the Department of Fish and Wildlife are winding down. Staff have again been able to contain increases to overall District operating expenses.

Income from the Cities and County

Income from the Cities and County is projected to be \$442,300. The schedule is based upon a fixed per capita contribution of \$1.19 dollars per person for each jurisdiction, which is the same rate from last year. This year, revenue from population growth will help to off-set enough of the increased District expenses to keep annual contributions flat, and without the need for a use of reserves. A countywide population increase of 4,342 persons applies to this year's budget and reflects an increasing rate of population growth as compared to the last several years. Based on census data

from the California State Department of Finance, most of our member agencies realized population increases over the last year in the range of 0.5 to slightly over 1 percent. The Cities of Lincoln and Roseville continue to experience the largest growth.

The proposed Dry Creek Watershed Operations and Maintenance (O&M) annual expenses and fair share contributions from the member agencies located within this watershed has a small projected increases to O&M costs as compared to last year attributed to increasing permit fees, facility utility costs and vegetation maintenance costs.

Reserves and Trust Fund Balances

At the end of FY 2016/17, it is projected that the amount of District reserves will be approximately \$321,200 and we anticipate no use of reserves in order to balance the budget as originally planned within the FY 2016/17 budget. At the same time last year the reserves balance was projected to be \$313,000, so reserves have grown a small amount over the last year. Our recommended budget for next fiscal year includes no use of reserves. In October 2010, the Board established a policy to strive to maintain a reserve balance of 25% of annual operating expenses. This translates into a minimum reserve balance of approximately \$150,000 in a typical year.

Currently the Dry Creek Trust Fund (Fund) balance is approximately \$1,242,200. At fiscal year 2016/17 end, the Fund balance is projected to be approximately \$1,100,000 following year end transfers associated primarily with the Antelope Creek Flood Control Project. The balance reflects large outlays from the Fund made towards design and planning activities for the Antelope Creek Flood Control Project. Annual revenue into the Fund from new development fees and interest earned has increased from levels seen last year with total fees and interest amounting to approximately \$233,700. During the booming development period of the early-mid 2000's, fee and interest revenue had been as high as \$700,000 per year. As previously discussed with the Board, large expenditures on the regional flood control project at Miners Ravine significantly depleted the Fund over the 2005 to 2007 calendar years. Next fiscal year we project transfers out of the Fund to amount to \$1,100,000, primarily for expenditures relating to the construction of the Antelope Creek Flood Control project.

Brian requested the Board's authorization to prepare the final FY 2017/18 budget.

MOTION: Karleskint /Yorde

APPROVED: Unanimous

6. **NEXT MEETING** The next regularly scheduled Board meeting is on May 8, 2017 at 4:00 pm at the Rocklin City Council Chambers.

7. **ADJOURNMENT:**

The meeting was adjourned by the Chair, Director Alvord at 4:48 pm

Respectfully submitted,

Tracie Coyle
District Secretary